

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 02-0253P**

**Withholding Tax  
Calendar Years 2000**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer is a foreign subchapter S corporation doing business in Indiana with nonresident shareholders. Taxpayer protests the penalty assessed on a late filed return.

Taxpayer failed to timely remit withholding taxes.

1. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer requests the department waive its late penalty because it felt that by withholding at the corporate level it would be beneficial for the shareholders and the State of Indiana. By the time it realized that this would be beneficial for both, the due date had already passed for making a timely deposit. Taxpayer further states that it chose to go ahead and make the election and deposit even though the due date had passed and feels it acted in good faith by making the deposit and did not intentionally make the election and deposit late.

Taxpayer failed to remit tax timely as required by statute and has not provided reasonable cause for failing to do so.

Taxpayer should be aware of its tax liabilities when doing business in this state.

**FINDING**

Taxpayer's protest is denied.